Azure Shuttle Bus Employed on Pristine Grand Island

Oak Park, Michigan – December 10, 2009 – Azure Dynamics Corporation (TSX: AZD) – ("Azure" or the "Company"), an industry leader in the development of hybrid electric and electric technologies for commercial vehicles, announced today that a Balance™ Hybrid Electric shuttle bus will serve tourist needs on beautiful Grand Island in Lake Superior.

Visitor guides refer to Grand Island as "a rustic landscape offering a wide range of primitive experiences and forest activities". That "rustic landscape" will now be served by an advanced alternative energy shuttle bus technology designed, in part, to minimize harmful emissions. The bus, purchased by ALTRAN in Alger County, MI, through a grant from the Federal Transit Administration that was given to the Hiawatha National Forest, will transport passengers through a National Recreation Area.

ALTRAN purchased the bus via a previously announced contract with the State of Minnesota. That contract, open to acquisitions from outside of the state, is administered through Hoglund Bus & Truck Co. in Monticello, MN. The bus will have a Turtle Top, Inc. shuttle bus body and will be delivered in time for the 2010 tourist season. The bus can accommodate 16 seated passengers or 12 seated passengers and two wheelchair positions.

"The customer prioritized an environmentally friendly, clean, hybrid drive train that we were thrilled to provide," said Jay Sandler, Azure Vice President of Sales. "Since the bus will operate in a fairly remote island environment, ALTRAN needed a reliable, durable product. We were able to demonstrate that Azure technology has had impressive up-time performance in some of the hardest working conditions at major fleets in both the USA and Canada. Moreover, the bus will have a quality conversion by Turtle Top and will be well supported by Hoglund Bus on the sales and service side."

The Balance™ Hybrid Electric's performance characteristics are well suited for the Grand Island tour bus demands. The bus will incur frequent starts and stops allowing the electric-launch assist and regenerative braking to be most effective. The bus will travel primarily at lower speeds where the hybrid electric drive train provides power assist for the vehicle's engine. Also, when tour guests disembark at various Grand Island points of interest, the drive train's engine-off at idle capability will reduce fuel consumption, emissions and noise while still maintaining comfortable temperatures inside the bus.

For more information about Azure Dynamics and its products, please visit www.azuredynamics.com.

About Azure Dynamics
Azure Dynamics Corporation (TSX: AZD) is a world leader in the development and production of hybrid electric and electric components and powertrain systems for commercial vehicles. Azure is strategically targeting the commercial delivery vehicle and shuttle bus markets and is currently working internationally with various partners and customers. The Company is committed to providing customers and partners with innovative, cost-efficient, and environmentally-friendly energy management solutions. For more information please visit www.azuredynamics.com.

The TSX Exchange does not accept responsibility for the adequacy or accuracy of this release.

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Forward-looking Statements

This press release contains forward-looking statements. More particularly, this press release contains statements concerning Azure's business development strategy, projected commercial revenues and product deliveries.

The forward-looking statements are based on certain key expectations and assumptions made by Azure, including expectations and assumptions concerning achievement of current timetables for development programs, target market acceptance of Azure's products, current and new product performance, availability and cost of labor and expertise, and evolving markets for power for transportation vehicles. Although Azure believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Azure can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks associated with Azure's early stage of development, lack of product revenues and history of losses, requirements for additional financing, uncertainty as to commercial viability, uncertainty as to product development and commercialization milestones being met, uncertainty as to the market for Azure's products and unproven acceptance of Azure's technology, competition for capital, product market and personnel, uncertainty as to target markets, dependence upon third parties, changes in environmental laws or policies, uncertainty as to patent and proprietary rights, availability of management and key personnel, and acquisition integration risk. These risks are set out in more detail in Azure's annual information form which can be accessed at www.sedar.com.

The forward-looking statements contained in this press release are made as of the date hereof and Azure undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

FOR MORE INFORMATION ON AZURE, CONTACT:

Jay Sandler Vice President – Sales 248-298-2403 x1205
Email: jsandler@azuredynamics.com

Patrick Liebler, Liebler Group, (248) 229-4418
Email: pat@lieblergroup.com